



CONSERVATION LAW FOUNDATION

September 9, 2009

Susan Leavitt
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Re: Comments on RPS Solar Carve-Out Straw Proposal

Dear Ms. Leavitt:

The Conservation Law Foundation (CLF) appreciates this opportunity to submit comments regarding DOER's Solar RPS Carve-Out Straw Proposal that was introduced at a public stakeholder meeting on August 26, 2009. Solar energy promises to play a meaningful role as part of a new cleaner energy future for the Commonwealth, and the proposed Solar RPS Carve-Out can be instrumental in ensuring that solar projects are more readily financeable and more widely deployed.

We would like to highlight just a few key elements that we believe are important to the success of the RPS Solar Carve-Out:

- To maintain and build upon existing momentum with respect to solar power deployment in the Commonwealth, the RPS Solar Carve-Out targets for 2010 and 2011 should be increased significantly beyond the extremely modest goals set forth in the Straw Proposal (i.e., 3 MW in 2010 and an additional 1 MW in 2011).
- A smooth transition from the Commonwealth Solar program to a new RPS Solar Carve-Out program is essential. We therefore support DOER's proposal to continue the Commonwealth Solar Rebate program for residential installations for a five-year horizon, and urge DOER to fully fund Commonwealth Solar at least until the RPS Solar Carve-Out regulations have been finalized and solar project developers have had sufficient notice.
- As acknowledged by DOER and a wide variety of stakeholders, securitization of long-term Solar Renewable Energy Certificate (S-REC) revenues is very important for providing the predictability project developers need while offering additional benefits such as reduced costs to ratepayers. We therefore urge DOER to immediately convene interested stakeholders to develop

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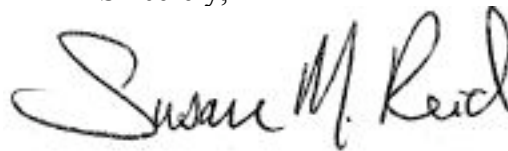
a securitization mechanism that is financeable, low risk, transparent, and easy to deploy without delay.

- It is important to establish a reasonably level playing field for the RPS Solar Carve-Out. While the Straw Proposal appears to exclude utility-owned and/or federal stimulus-funded solar projects from the RPS Solar Carve-Out, this should be made clear. Pursuant to the Massachusetts Green Communities Act, investor-owned utilities are now permitted to build up to 50 MW of solar generation by 2010; if allowed to be counted toward the RPS Solar Carve-Out, such rate-based projects could swallow up much of the demand and significantly limit the development of a truly robust and competitive solar market.

Ultimately, a well-designed RPS Solar Carve-Out promises to build on existing momentum and significantly promote the deployment of clean and renewable solar power facilities throughout the Commonwealth. We therefore encourage DOER to modify the Straw Proposal as suggested above before moving forward expeditiously to develop and adopt implementing regulations.

Thank you, again, for the opportunity to provide these comments.

Sincerely,

A handwritten signature in black ink, reading "Susan M. Reid". The signature is fluid and cursive, with the first name "Susan" being the most prominent.

Susan M. Reid, Esq.
Director, MA Clean Energy & Climate Change Initiative